

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Homer****Project Title:****Project Type:** New Construction and Land Acquisition

Homer - Anchor Point to Homer Natural Gas Pipeline

State Funding Requested: \$4,800,000
One-Time Need**House District:** 35 / R**Brief Project Description:**

Ab 8 inch diameter plastic distribution line to serve Homer. A distribution rated line would enable picking up home and business needs en route. The pipeline would be able to supply 5 million cuft/day to Homer which is adequate for a 30 year customer base buildout.

Cost for 14 miles 8 inch plastic pipe \$4.5 million

Cost for Regulator Station to feed both Anchor point and Homer \$300,000

Funding Plan:**Total Cost of Project: \$4,800,000***There is no other funding needed***Detailed Project Description and Justification:**

This request is for an 8 inch diameter plastic distribution line to serve Homer with a steady supply of Natural Gas. Enstar recently recieved approval from the Regulatory Commission of Alaska on a Gas Supply Contract with Armstrong Alaska for gas from Armstrong's North Fork Unit. Under the Gas Supply Contract current North Fork gas will not be sent to Homer, where there is growing market demand for natural gas, but is currently limited to diesel and propane for home heating purposes.

A distribution rated line would enable picking up home and business needs en route to Homer. The pipeline would be able to supply 5 million cu ft/day to Homer which is adequate for a 30 year customer base buildout.

Cost for 14 miles 8 inch plastic pipe \$4.5 million

Cost for Regulator Station to feed both Anchor point and Homer
\$300,000

Project Timeline:

Fall 2010/Spring 2011

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Homer

Grant Recipient Contact Information:

Name:	Walt Wrede
Address:	491 E. Pioneer Ave. Homer, AK 99603
Phone Number:	(907)235-3102
Email:	wwrede@ci.homer.ak.us

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No



City of Homer

City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

phone: 907-235-3102 fax: 907-235-3148

email: wwrede@ci.homer.ak.us

February 19, 2010

Senator Gary Stevens
Alaska State Capitol
Room 111
Juneau, AK 99801

Representative Paul Seaton
Alaska State Capitol
Room 102
Juneau, AK 99801

Dear Senator Stevens and Representative Seaton:

The purpose of this letter is to request state participation in funding an Anchor Point to Homer transmission line for natural gas.

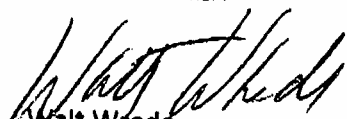
As you are aware, there is currently no gas service to Homer. Recently ENSTAR finalized a Gas Supply Agreement with Armstrong Alaska for shipment of gas from Armstrong Alaska's North Fork Unit to the existing Kenai Kachemak Pipeline. This effectively eliminates the possibility that this gas, in very close proximity to the City of Homer, will reach Homer.

Should the Legislature consider providing state funding for in-state gas transmission lines, the City of Homer requests inclusion of funding for a 14-mile gas transmission line from Anchor Point to Homer. A steady supply of gas to Homer's growing market will promote economic growth and prosperity in the region and help to increase the tax base in Homer and outlying areas.

Thank you for your consideration of this issue.

Sincerely,

CITY OF HOMER


Walt Wrede
City Manager

Louie Flora

From: John Lau [John.Lau@enstarnaturalgas.com]
Sent: Thursday, February 18, 2010 9:12 AM
To: Louie Flora
Cc: Charlie Pierce; Colleen Starring; Dave Bredin; Vincent L. Robinson
Subject: Homer Gas Pipeline

Louie

As explained in our phone call, ENSTAR prefers an 8 inch diameter plastic distribution line to serve Homer. A distribution rated line would enable picking up home and business needs en route. The pipeline would be able to supply 5 million cuft/day to Homer which ENSTAR feels is adequate for a 30 year customer base buildout.

Cost for 14 miles 8 inch plastic pipe	\$4.5 million
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Cost for Regulator Station to feed both Anchor point and Homer	\$300,000
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Feel free to call as needed.

John

John J Lau PE
Director Transmission Operations
ENSTAR Natural Gas
Work 907-264-3736
Cell 907-244-3980
John.Lau@enstarnaturalgas.com

**CITY OF HOMER
HOMER, ALASKA**

Novak

RESOLUTION 09-107

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
TO THE REGULATORY COMMISSION OF ALASKA EXPRESSING
OUR CONCERN AND DISPLEASURE REGARDING THE FAILURE
OF ENSTAR NATURAL GAS COMPANY TO DELIVER NATURAL
GAS TO HOMER.

WHEREAS, Enstar Natural Gas Company and the Regulatory Commission of Alaska have been previously made aware of Homer's need and desire for natural gas through resolutions of the Homer City Council and public meetings; and

WHEREAS, Armstrong Cook Inlet has previously reported that they have successfully drilled a second production well in the North Fork unit; and

WHEREAS, Enstar competed with Homer Electric Association before the Regulatory Commission of Alaska and won approval to service Homer with North Fork unit gas; and

WHEREAS, Armstrong Cook Inlet and Enstar Natural Gas Company have now publically acknowledged that they have enough gas now available to build a pipeline, and have opted to connect it to an existing pipeline grid to the north instead of running a 10 mile line south to Homer.

NOW, THEREFORE, BE IT RESOLVED that the City of Homer requests that the Regulatory Commission of Alaska address, and review the failure of Enstar Natural Gas Company to deliver natural gas to Homer.

PASSED AND ADOPTED by the Homer City Council this 12th day of October, 2009.

CITY OF HOMER

DENNIS NOVAK, MAYOR PRO TEMPORE

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Novak

RESOLUTION 09-41(S)(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE CITY ADMINISTRATION TO PURSUE ALL AVENUES OF DISCUSSION TO ENCOURAGE ALL COMMERCIAL PARTIES THAT HAVE A POTENTIAL ROLE IN PRODUCING, TRANSMITTING, DISTRIBUTING OR SELLING NATURAL GAS TO RESIDENTS AND BUSINESSES IN THE CITY OF HOMER AND THE SURROUNDING AREA TO BRING NATURAL GAS TO THE HOMER MARKET.

WHEREAS, As a result of additional exploratory drilling near Epperson Knob on the North Fork Road, Armstrong Cook Inlet LLC now has two natural gas wells capable of supplying commercial quantities of natural gas; and

WHEREAS, While Enstar Natural Gas Company currently holds the certificate to provide natural gas to the Homer Service Area, any commercial venture with the technical, financial, and management ability could apply to the Regulatory Commission of Alaska for the right to be granted the certificate to provide natural gas to the Homer Service Area; and

WHEREAS, On one end, Armstrong's natural gas supply is not currently committed to any supply contracts, and on the other end the Homer Service Area needs an affordable alternative energy source for residential growth and commercial development; and

WHEREAS, The major financial investment required now is in a pipeline to Homer, and a distribution system within Homer's developed residential and commercial areas; and

WHEREAS, With its commitment to providing public services and encouraging economic development, the City of Homer has the political ability to push for the delivery of natural gas to Homer; and

WHEREAS, As demonstrated by the Fairbanks Natural Gas Companies' need for financial support to expand, the ability to expand services could depend in part on government backed funding on the State or even national level; and

WHEREAS, Fairbanks Natural Gas Companies' 467 residential customers consume 60,354,000 cubic feet of gas per year, while 638 commercial customers consume 779,646,608 cubic feet of gas per year which demonstrates the impact the availability of natural gas can have on commercial development or energy production; and

WHEREAS, Armstrong is "very comfortable" that the North Fork prospect holds 10 billion cubic feet of natural gas reserves and that it could hold 2 to 6 times that amount, which would provide for the energy needs of the Homer Service Area well into the foreseeable future.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council supports and authorizes the city administration to pursue all avenues of discussion to encourage all commercial parties that have a potential role in producing, transmitting, distributing or selling natural gas to residents and businesses

in the City of Homer and the surrounding area to bring natural gas to the Homer market.

BE IT FURTHER RESOLVED that the City of Homer will assist with the project feasibility providing such information as may be available in the City database.

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PASSED AND ADOPTED by the Homer City Council on this 13th day of April 2009.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

Introduced by:	Mayor
Date:	04/05/05
Hearings:	05/03/05 & 05/17/05
Action:	Postponed until 06/21/05
Action:	Enacted as Amended
Vote:	8 Yes, 0 No, 1 Absent

KENAI PENINSULA BOROUGH

ORDINANCE 2005-20

AN ORDINANCE REPEALING KPB 2.56.005 AND ENACTING KPB 2.56.006, ADOPTING THE 2005 KENAI PENINSULA BOROUGH COMPREHENSIVE PLAN

WHEREAS, Alaska Statute 29.40.020(b)(1) requires the planning commission to prepare and submit to the assembly a proposed comprehensive plan; and

WHEREAS, the existing comprehensive plan was last updated in 1992; and

WHEREAS, the social, economic, and environmental conditions of the Kenai Peninsula Borough have changed over the past thirteen years; and

WHEREAS, the Kenai Peninsula Borough Planning Commission passed Resolution 2002-07 requesting that the planning department develop a work program for updating the Borough Comprehensive Plan, to include planning commission and assembly input and approval; and

WHEREAS, in September of 2003, after a series of meetings to determine the scope of work for the plan update, the Kenai Peninsula Borough contracted with the consulting firm of Cogan Owens Cogan to facilitate a public process and update the existing comprehensive plan; and

WHEREAS, the residents of the borough provided comments on a variety of community issues through two series of public meetings held in twelve communities during October 2003 and October 2004, including a random sample telephone survey of 600 households within the borough, 35 business and community group meetings, the project Web site, and two local call-in radio programs; and

WHEREAS, the comprehensive plan update process received widespread media coverage including numerous feature articles and editorials in the Peninsula Clarion, Homer News, Homer Tribune, and Seward Phoenix Log newspapers, several news reports on KDLL, KBBI, and KSRM radio stations, mention in community newsletters, and meeting announcements on local access cable channels; and

WHEREAS, the planning commission and assembly held a joint work session on June 15, 2004, to discuss the plan update process and provide feedback; and

WHEREAS, the Planning Commission held two additional work sessions on December 13, 2004, and January 24, 2005, to discuss further plan revisions and continue to provide feedback on subsequent drafts of the plan; and

WHEREAS, the planning commission and assembly have been addressing issues relating to planning, land use regulation, and other borough concerns without the guidance of current a current comprehensive plan; and

WHEREAS, Alaska Statute 29.40.030(b) requires the assembly, acting upon recommendations of the planning commission, to adopt by ordinance a comprehensive plan, and periodically undertake an overall review and update of the plan as necessary; and

WHEREAS, the Planning Commission, at its May 9, 2005 meeting, recommended enactment by unanimous consent;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That KPB 2.56.005 of the Kenai Peninsula Borough Code of Ordinances is hereby repealed.

SECTION 2. That KPB 2.56.006 is hereby enacted as follows:

2.56.006 Kenai Peninsula Borough comprehensive plan adopted.

The document entitled "2005 Kenai Peninsula Borough Comprehensive Plan" is adopted as the Comprehensive Plan of the Kenai Peninsula Borough.

SECTION 3. That KPB 2.56.007 is hereby enacted as follows:

2.56.007. Borough plan amendments.

A. The following plans are incorporated as elements of the 2005 comprehensive plan, subject to the applicable goals, objectives, and actions listed in Chapter 6 of the 2005 Kenai Peninsula Borough Comprehensive Plan. The classification of borough land shall be consistent with the intent of the following land use plans, provided such classifications are consistent with the findings of fact required by KPB 17.10.080(I).

1. "Community Land Use Plan for Borough Lands in Hope, 1987."
2. "Community Recommendations on a Land Use Plan for Borough Lands, Hope and Sunrise, 1992 Additions."
3. "Community Land Use Plan for Borough Lands in Sunrise, 1988."
4. "Community Recommendations on a Land Use Plan for Borough Lands at Cooper Landing, 1992."
5. "1996 Cooper Landing Land Use Plan Update."

B. The document entitled "Comprehensive Plan for Moose Pass, 1993" with boundaries amended by map dated July 1994 is incorporated as an element of the 2005 comprehensive plan, subject to the applicable goals, objections, and actions listed in Chapters 1 and 6.

C. The document entitled "Kenai Peninsula Borough Trail Plan, 1998" is incorporated as an element of the 2005 comprehensive plan.

D. The document entitled "Seward Highway Corridor Partnership Plan, A Strategy for Management, Economic Development, and Conservation 1998" is incorporated as an element of the 2005 comprehensive plan.

SECTION 3. That the comprehensive plan shall be reviewed periodically and updated to reflect changing conditions, trends, laws and policies of the borough.

SECTION 4. That upon adoption, the comprehensive plan shall be published and made available for public distribution.

SECTION 5. That this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF JUNE, 2005.

UTILITIES

Existing Conditions

Utilities are provided to residents of the Borough by private utility companies, cities, and the U.S. Public Health Service, which provides water and sewer service to Nanwalek, Port Graham and Tyonek. The Borough does not provide utilities, but assists in the provision of utilities

by requiring dedication of utility easements on new subdivision plats. Subdivision plat review is closely coordinated with the various private utility companies and cities to ensure that easements will adequately serve future utilities.

Electricity

Homer Electric Association (HEA) is a member-owned cooperative that provides electrical power to the southern and central portion of Kenai Peninsula, including Kenai, Soldotna, Nikiski, Homer, Seldovia, Nanwalek and Port Graham. HEA power

is purchased from Chugach Electric Association (CEA) and transmitted by overhead lines from Anchorage. HEA is a partner in the Bradley Lake Hydroelectric Project, described below, and receives approximately 12% of the project's electrical output. HEA also operates a 40 megawatt co-generation facility in North Kenai. The plant provides power to the Agrium facility as well as power to the Railbelt's electric grid.¹⁷

Chugach Electric Association (CEA) provides retail power service to the northern Kenai Peninsula, including Cooper Landing, Moose Pass and Hope. Chugach operates three power generation facilities on the Kenai Peninsula.

- The Beluga power plant, located on the west side of Cook Inlet near Tyonek, has seven natural gas combustion turbines and one steam turbine and produces 381.2 MW of electricity.
- The Bernice Lake power plant near Nikiski has four natural gas combustion turbines with a combined capacity of 67.5 MW.
- The Cooper Lake Hydroelectric Project near Cooper Landing has two hydro-turbines and a 20 MW capacity. This dam's operating license from the Federal Energy Regulatory Commission (FERC) will expire on April 30, 2007, pending an extension of the license from FERC.

The City of Seward owns its local electrical distribution system, as well as 48 miles of transmission lines north of the city. It purchases electricity from CEA and has a city-owned 12 MW diesel generator for back up.¹⁸ The city also owns 1% of the output of the Bradley Lake Hydroelectric Project.

The Bradley Lake Hydroelectric Project was built in 1991 on the northeast end of Kachemak Bay about 27 miles from the city of Homer. The State owns the plant and contracts with HEA to operate the facility. Bradley Lake



Homer and Kachemak Bay

is the largest hydroelectric facility in the state. Electrical power generated by this facility moves over HEA and CEA transmission lines on its way to consumers in Anchorage, Fairbanks and other communities.¹⁹

Seasonal fluctuations in power use results in substantial unused capacity during the summer months. The development or expansion of summer industries to use this additional power could help reduce rates for other users.



Resurrection Bay, Seward

Natural Gas

Enstar Natural Gas Co. (ENSTAR) provides natural gas service to portions of the Kenai/Soldotna area, including Sterling and North Kenai. According to ENSTAR, its residential and commercial rates on the peninsula are among the lowest in the nation. The majority of the gas is purchased from Marathon Oil Company, Chevron, Conoco Phillips, Unocal, and the Municipality of Anchorage, under long-term contracts approved by the Regulatory Commission of Alaska.

Natural gas fields have been discovered in a number of areas on the Kenai Peninsula and west side of Cook Inlet, accounting for approximately 4% of the State's total natural gas reserves.²⁰ Unocal Alaska, Marathon Oil, and Alaska Pipeline Company, a subsidiary of ENSTAR, recently constructed the 33-mile long, \$25 million Kenai Kachemak natural gas transmission pipeline from the Kenai gas fields to Ninilchik. The line has since been extended to Happy Valley and includes spur lines to pick up gas from other

gas fields along the proposed route. ENSTAR may provide gas from this pipeline to individual customers at some point in the future if the company determines that it would be economically feasible to do so.²¹

Expansion of natural gas service would reduce heating costs and promote economic development in a number of unserved areas. The cost of installing underground gas lines limits the extension of service to areas with sufficient customer density and demand to offset the cost of installing the lines.

Telephone and Internet

Alaska Communications Systems Group, Inc. (ACSG) provides local telephone, wireless/ mobile phone, and Internet services in most of the state, including much of the Borough. ACSG offers local and long-distance phone services on the entire peninsula, except as noted below. ACSG formed from the merger of several smaller phone companies, including Telephone Utilities of the Northland, which had previously served much of the Kenai Peninsula. ACSG also offers wireless service in much of the western portion of the Borough, including the west side of Cook Inlet, and in Seward and the area north of Kenai Lake.²²

Interior Telephone Company provides local service for Seward, Moose Pass, and Cooper Landing. The west side of Cook Inlet receives telephone service from Matanuska

Telephone Association, Inc. and the Hope area is served by the Anchorage Telephone Utility. Telephone signals are transmitted to most of the Kenai Peninsula as microwave or satellite signals and distributed locally through aerial or underground lines.

National and international companies such as Sprint and AT&T offer long-distance service in much of the Borough, as does a local company, General Communications, Inc.

ACSG is one of several Internet service providers operating in the Borough. It offers dial-up and/or broadband (DSL) Internet service throughout its telephone service area. As of 2005, some communities had access to dial-up and broadband service while others had access to dial-up service only.

Water and Sewer

The majority of the residents in the Borough are not served by public water or sewer systems. In most areas, central water and sewer systems are not practical due to low-density development or high cost. These areas rely on individual wells and septic systems. Municipal water and sewer systems are provided for high-density development areas within the Cities of Kenai, Soldotna, Seward, Homer and Seldovia. Many of the Borough's unincorporated communities have water and/or sewer systems funded by the U.S. Bureau of Indian Affairs (via the Alaska Native Tribal Health Consortium) or the State of Alaska's Village Safe Water Program.

SEWARD

The City of Seward operates a public water system, which obtains groundwater from four wells at the Fort Raymond Subdivision and two wells at Fourth of July Creek, and surface water from Marathon Springs. A shallow well at Lowell Canyon is a back up source. Sewage is treated at a secondary treatment facility that serves the downtown area, and an additional facility which serves the Fourth of July Creek area. Both facilities discharge effluent to Resurrection Bay. Domestic wells and septic systems serve residents outside the service area.

KENAI

Three wells located near the Kenai Spur Highway and Beaver Loop Road supply municipal water to seventy percent of the City's population. The water system meets state and federal regulations, but the City anticipates that an additional well will be needed to maintain proper flow and pressure. The Kenai municipal wastewater treatment plant discharges treated effluent into Cook Inlet, and is operating at about 70 percent capacity.²³

SOLDOTNA

The City of Soldotna obtains municipal water from six wells within the City, ranging in depth from 225 to 295 feet. The Soldotna Wastewater Treatment Plant discharges treated effluent into the Kenai River. A current expansion of this facility was 90% complete in June, 2005. Dewatered sludge from the Kenai and Soldotna wastewater treatment facilities is disposed of at the landfill in Soldotna.

HOMER

The communities of the southern Kenai Peninsula, including Homer, Seldovia, Nanwalek, and Port Graham, rely on surface water for public water supply. Shallow bedrock, soils, and saltwater intrusion limit the availability of potable groundwater. Soils and bedrock conditions also limit the effectiveness of septic tanks with leachfields.

The City of Homer obtains municipal water from a reservoir impounded behind a dam on Bridge Creek, one mile north of the City. A pump station lifts the untreated water up to the City's one million GPD water treatment plant. The municipal water system also includes four water storage tanks, one Chlorine Contact Tank, and approximately 38 miles of water main distribution lines.

The City of Homer's wastewater treatment system serves the Homer Spit, over half of the residences in Homer, and portions of adjacent Kachemak City. The system includes a state of the art 880,000 GPD deep shaft wastewater treatment plant facility and approximately 45 miles of collection main lines. Secondary treated effluent is discharged to Kachemak Bay, and dewatered sludge is disposed of at the borough landfill in Homer.²⁴

SELDOVIA

The City of Seldovia also uses surface water for municipal water supply. Most of the watershed is located outside of the City on state or private land. The City has recently completed a new city sewage treatment facility, which provides primary treatment to sewage effluent prior to discharge to Seldovia Bay. Treated sludge from the facility will be transported to Homer for disposal at the Homer

sewage treatment facility and sludge disposal area, under a five year agreement with the City of Homer. The City is also pursuing funds to upgrade their water supply, filtration, and distribution system.

OTHER COMMUNITIES

Indian Health Services, a division of the U.S. Bureau of Indian Affairs, provides funding for water and sewer systems in native communities. In Alaska these funds are passed through the Alaska Native Tribal Health Consortium (ANTHC). The ANTHC's Regional Facility Program provides the funding to the local native organizations, as well as planning, design, and construction services. This program constructed water and sewer systems in Tyonek, Port Graham, and Nanwalek in the late 1970's, and funds occasional projects to expand or enhance those systems. ANTHC also provides training and assistance to the local water and sewer system operators in these communities via the State remote maintenance worker program. The organization assists a limited number of eligible native Alaskan households with construction of individual well or septic systems, typically in communities such as Ninilchick that have a high percentage of native residents.²⁵

The State of Alaska's Village Safe Water Program also provides grants for the construction, maintenance, and expansion of sewer and water systems in numerous unincorporated communities in the Borough. The Village Safewater Program, ANTHC, and Municipal Grants and Loans (a program within ADEC's Division of Water) jointly

manage the Village Engineer program, which provides a local contact in each participating community to assist with funding applications or oversee water and sewer projects once they have been funded.²⁶

Small, private sewer or water systems serve some other areas of the Borough.

Issues

Problem Areas. Outside of the areas served by community water and sewer systems, some areas experience problems with on-site water and sewer systems. Isolated groundwater pollution from industrial waste, leaking fuel tanks or inadequate sewage disposal systems has contaminated wells in some areas. Wetlands, soils, and bedrock conditions in some areas limit the effectiveness of traditional on-site septic systems. As part of its plat approval procedures, the Borough requires that septic systems meet state standards. However, funding for borough review and approval is limited and in many cases new construction occurs where no plat approval is required. Improper installation or system failure can lead to groundwater contamination.

The 1989 Homer Comprehensive Plan identified a need for future expansion of its reservoir and protection of the surrounding watershed, which is in state and private ownership. In 1999, the Borough granted the City of Homer extraterritorial powers to help protect the City's watershed.

In Seldovia, residents note concerns about possible impacts of existing and proposed planned solid waste facilities on water quality.

Financing for Sewer and Water Projects. Funding is needed for community water or sewer projects.

Sludge Disposal. Nanwalek, Port Graham and Seldovia have identified a need for improved sludge disposal procedures. Financing, permitting and location of suitable sites for these facilities are issues.

Natural Gas Delivery. New natural gas transmission lines to the southern peninsula offer limited opportunities for access to local residents who desire natural gas service.



Goals, Objectives and Implementation Actions

GOAL 4.8: To facilitate the provision of reliable and accessible utility services to borough residents.

Objective 1. To establish and maintain appropriate utility rights of way or easements to serve existing and future utility needs.

Implementation Actions

- A. Maintain close coordination with utility operators in reviewing and approving utility easement requests and vacation proposals associated with subdivision plat approval.
- B. Evaluate borough and state land to identify potential utility routes and reserve appropriate rights of way prior to development or sale, as needed.

Objective 2. To assist residents in establishing financing procedures for utility extension projects which would benefit borough residents.

Implementation Actions

- A. Continue to investigate and provide the development of fair and equitable procedures, such as Local Improvement Districts or Special Assessment Districts, to finance utility line extensions.
- B. Help identify opportunities for local residents to access utility transmission lines (e.g., natural gas transmission lines).

Objective 3. To support community efforts to establish adequate water and wastewater disposal facilities.

Implementation Actions

- A. Assist unincorporated communities in identifying grants or other tools to address water and wastewater treatment needs.
- B. Coordinate with borough communities in addressing water and wastewater treatment needs in the central peninsula and other parts of the Borough.

KACHEMAK CITY, ALASKA

P.O. BOX 958, (VIA) HOMER, ALASKA 99603

PH. (907) 235-8897 FAX (907) 235-8854

kachemak@xyz.net

February 23, 2010

Representative Paul Seaton
Alaska State Capitol
Room 102
Juneau, AK 99801

Dear Representative Seaton:

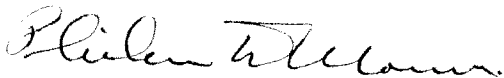
The purpose of this letter is to request state participation in funding an Anchor Point to Homer transmission line for natural gas.

As you are aware, there is currently no gas service to Homer. Recently ENSTAR finalized a Gas Supply Agreement with Armstrong Alaska for shipment of gas from Armstrong Alaska's North Fork Unit to the existing Kenai Kachemak Pipeline. This effectively removed the potential that this gas, in very close proximity to the City of Homer will by-pass Homer.

Should the Legislature consider providing state funding for in-state gas transmission lines, the City of Homer requests inclusion of funding for a 14-mile gas transmission line from Anchor Point to Homer. A steady supply of gas to Homer's growing market will promote economic growth and prosperity in the region and help to increase the tax base in Homer and outlying areas.

Thank you for your consideration of this issue.

Sincerely,



Philemon D. Morris
Mayor



Kachemak Bay Campus

Kenai Peninsula College
UNIVERSITY of ALASKA ANCHORAGE

April 29, 2010

Dear Governor Parnell;

I am writing to seek your support for funding for the proposed FY'11 capital budget project that would build a **natural gas pipeline** between the communities of Anchor Point and Homer. This critical **4.8 million** project has been a priority of area residents and businesses for over 25 years as the cost of fuel oil increased so dramatically. It will result in tremendous savings in fuel costs in the future as well as directly create new and continuing area jobs.

In FY '09, our campus, as part of the Statewide University of Alaska system, paid \$15,000 in public funds for fuel oil to heat our facility. We project a dramatic decrease in such public expenditures if we can convert our buildings' heating system to a gas-based system.

Also, one of the economic barriers that many potential students experience in attending this UAA campus in Homer is the high cost of home heating oil. Such costs adversely affect how many courses students can afford to take and thereby impacting their ability to fulfill their job training and academic goals in a timely manner. Many other university students in the State do not have such living costs.

Thank you for your support of such a vitally important economic development project that will have such a positive, significant and long-term impact on the Kenai Peninsula.

Sincerely,

Carol Swartz, Campus Director

To: Governor Sean Parnell
governor@alaska.gov

CC: Representative Paul Seaton
Senator Gary Stevens

From: Bill Smith
bsmith@xyz.net
PO Box 150 Homer AK 99603
907-299-3997

Subject: Legislative Appropriation for a gas line from Anchor Point to Homer.

Homer and Anchor Point are served by the railbelt utility Homer Electric. This makes us ineligible for some programs meant to alleviate high energy costs.

I attach a chart which compares the cost of energy for heating and hot water for a typical small home in our area. This chart lists current prices for electricity, propane and fuel oil and compares them to the cost of natural gas in Anchorage and Kenai.

One glance at the chart will explain the large burden our families carry when they do not have the benefit of natural gas service. This high energy cost costs money which our families could better spend on making a better life for themselves.

An additional benefit of natural gas is the much lower emission of CO₂, as shown on the chart. We should continue to do all we can to minimize our greenhouse gas emissions.

Our public budgets also suffer due to high energy costs. As you well know, our local facilities are supported by local taxes, which in turn burden the families paying taxes.

Homer High School uses about 55,000 gallons of fuel oil per year. At current rates, a conversion to natural gas would result in a savings to local tax payers of \$105,000 per year. This kind of savings in the six schools in our area would be a tremendous boon to our school budget. I am sure you can picture the benefits our schools would receive with this kind of boost.

As a member of the Kenai Peninsula Borough Assembly charged with funding our schools, I can tell you it is always a struggle to fund the school district while maintaining reasonable tax rates. The gas line represents an extraordinary opportunity for our area.

Thank you for your efforts to date, and please continue to do everything you can to bring the gas line through Anchor Point and to Homer, we are in serious need of relief from high energy prices.

Comparison of Energy Rates: Subject to Energy Price Change!

Annual cost to provide Heat & Hot Water for a small single family Home

Energy Costs on 4-29-2010 in Homer and Anchor Point Alaska

Residential Rates

Source	Unit	\$ Per Unit	BTU per Unit	AFUE Equipment Efficiency	Net BTU per Unit	Units per Million BTU	lbs of CO2 per Million BTU	\$ Per Million BTU	Annual Units	Annual Cost for Heat & Hot Water
Electricity	KWH	0.18	3,412	100	3,412	293.08	392	52.75	28,593	5,147
Propane	Gallon	3.94	92,000	80	73,600	13.59	184	53.53	1,326	5,224
#1 Fuel Oil	Gallon	2.95	135,500	80	108,400	9.23	214	27.21	900	2,655
For Comparison: Residential Natural Gas in Kenai, Soldotna & Anchorage										
Natural Gas	CCF	0.9133	103,000	80	82,400	12.14	153	11.08	1,184	1,081

Each source will vary with market prices.
Electric & NG prices average in base costs.
#1 Fuel Oil is Jet A (low sulfur)
Fuels priced at typical delivery quantities

KWH=Kilowatt Hours

AFUE= Annual Fuel Utilization efficiency

BTU= British Thermal Unit (Amount of heat needed to raise 1 pound of water 1 degree fahrenheit)

CO2= Carbon dioxide

CCF= Hundred Cubic Feet



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of the Superintendent

Dr. Steve Atwater, Superintendent of Schools
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-9132

April 28, 2010

Governor Sean Parnell
State of Alaska
P.O. Box 11001
Juneau, AK 99811-0001

Dear Governor Parnell:

The Kenai Peninsula Borough School District (KPBSD) wishes to express its appreciation and support for the recently approved 4.8 million dollars in capital funds for a gas pipeline from Anchor Point to Homer and a pressure reducing station to serve Anchor Point with gas. The District looks forward to the operational savings this project will have on all of our lower Kenai Peninsula schools that currently utilize diesel and electricity for heating purposes.

Since Tustumena Elementary and Ninilchik Schools have made the transition from fuel oil to gas, the District has realized a reduction of approximately 30 per cent in heating costs for these facilities. As responsible stewards of the operational dollars for all of our school facilities, the KPBSD applauds these efforts to assist us in our energy conservation endeavors and would encourage further legislative action to explore all alternatives to conserve our precious resources and reduce expenditures.

Sincerely,

Steve Atwater, Ph.D.
Superintendent of Schools

Dear Paul I am so encouraged by your recent efforts in the Legislature on behalf of the citizens and communities of the southern Kenai Peninsula. Specifically, the Anchor Point --Homer natural gas pipeline is a wonderful economic boon to our area as well as addressing critically important energy issues for many residents. I sincerely appreciate your efforts for all of us. We were and are former educators, so the support of the Kachemak Bay Campus of the University of Alaska is another area where I am grateful for your foresight and leadership. With the condemnation of the old middle school building which was housing the West Campus, we are in desperate need of classrooms and office space for instructors. Since the main campuses of the University of Alaska got multi-millions and the Kenai River Campus got 30 million dollars, there should be some equity for KBC students. I hope Governor Parnell will recognize the wisdom and prudent preparation in your recommended allocations and insure that they are included in the approved budget. I have been an advocate for KBC for over half of my 41 years in Alaska and am very much aware of the great opportunities provided to our Old Believer and Native students as well as the general population. Contact me if I can be of service in your endeavors or supportive of this legislation. THANKS !!! Kenneth R. (Bob) Moore PO Box 4192 Homer, Ak. 99603-4192 tele (907) 235-7432 PS Please share this with the Governor's office.

The following e-mail was sent directly to to Governor Parnell.

Thanks for your hard work.

Dan Boone

I realize that \$4.8M is a considerable sum of money, but economic benefits that a natural gas pipeline would bring to Homer would be enormous. The price of fuel oil has risen dramatically in the past several years, but currently there aren't any real alternatives. A natural gas pipeline to Homer would provide an alternative as well as economic relief for the local citizens, the City of Homer, local schools, Kachemak Bay Campus of Kenai Community College, and various other tax supported entities. Therefore, I strongly urge you to support the \$4.8M capital budget project to extend the natural gas pipeline from Anchor Point to Homer.

***Sincerely,
DBoone***

April 29, 2010

SUBJECT: **Natural Gas Pipeline - Homer- Anchor Point**

Dear Governor Parnell

Please support the 4.8 M for the 14 mile natural gas transmission line from Anchor Point to Homer. This would provide a much needed energy source for our community of Homer in financial challenging times. This project is long over due.

Your go ahead on this energy project would be greatly appreciated by the community members of Homer.

Sincerely

Gail M. Ammerman
Resident of Homer

Dear Representative Seaton,

As a citizen of Homer, I encourage you to support these projects in the capital budget.

- The **proposed natural gas pipeline** will enhance the economy of the whole lower Kenai Peninsula.
- **Karen Hornaday Park** improvements are much needed. The community of Homer and outlying areas utilize this park for many activities. The park needs major work to continue to serve the community.
- Expanding **Homer's Deep Water Dock** is another project that will grow the local economy. Homer could receive direct shipments of goods.
- The **Pratt Museum** is a local treasure. Supporting the expansion project will help to create more jobs in our community.
- The **Kachemak Bay Campus** is a vital community entity which deserves support for their much needed building.
- **Homer Community Schools** provides services to citizens all over the lower peninsula. Recreation in the winter months is an important component of a healthy community.
- Finally, please preserve the Renewable Energy Grant, which contains funding for the **Kachemak Bay Tidal Power** project. Alaska needs to continue in the direction of finding alternative sources of power.

Sincerely,

Francie Roberts

495 Mountain View, Homer, AK 99603

MICHAEL C. HAWFIELD

PO BOX 2609

HOMER, ALASKA 99603

April 29, 2010

Governor Sean Parnell
State of Alaska

Dear Governor Parnell,

I am writing to urge your support of the capital budget item of \$4.8 million project for the design and construction of an Anchor Point-Homer gas line, which has been put forward by our Representative, Paul Seaton.

As you know, the southern Kenai Peninsula, like other areas in Alaska has a great need for affordable, dependable energy, but for the southern Kenai Peninsula solving the problem of our energy needs is made possible by the proximity of regional gas. Now is the time to take advantage of this nearby resource.

The benefits of this project will have benefit for many years to come and will significantly enhance the fundamentals of life and the economy on the Peninsula, providing much needed jobs and enhancing employment potential for all our citizens on the Peninsula.

Again, I urge you to support Representative Seaton and the people of the Kenai Peninsula by supporting this important capital line item.

Thank you for your support and your efforts on behalf of Alaska.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael C. Hawfield", with a large, stylized loop at the end.

Michael C. Hawfield

I would like express my strong support for the funding for a gas Pipeline for the Homer and Anchor point area. My last propane delivery was at \$5.07 per gallon. I am an energy concious person and do not waste fuel, but even I cannot afford prices like that. The stimulation a gas pipeline would bring to our community would offset the cost many times over in a very short timeframe.

Scott "THE LAND MAN" Connelly

Associate Broker

www.bayrealtyalaska.com

907-235-6183 Phone

907-235-4031 Fax

Dear Governor Parnell and Representative Seaton,

The installation of a natural gas pipeline to Anchor Point and Homer would greatly benefit the communities. These communities could use an alternative to the high prices of gas, propane and electric heating.

A natural gas line would directly affect the operating cost for many businesses, schools, government facilities and the general public. It would be helpful for those who struggle to heat their homes during the coldest months of the year. It could potentially have a big impact on the community for the better. It could lower operating cost for many businesses and facilities, therefore creating opportunities for those funds to be used for other purposes in the communities. I fully support the natural gas line to these communities and hope you do to. Thank you.

Lana

Lana M Simpson, GRI
Associate Broker
RE/MAX of Homer
412 E Pioneer Ave., Suite 100
Homer, AK. 99603
907-235-7733
907-235-5663 Fax
907-399-4618 Cell
www.alaska-homer.com
lanea@remaxofhomer.com

As a Member of the first Homer Economic Development Commission in 1992, I, along with my fellow Commissioners, felt that a natural gas line extension to Homer was our number one goal. We have lived through countless possibilities with Enstar and Homer Electric Assoc. Now, we actually have a productive, developed gas source 15 miles up the road in Anchor Point, but it is still 15 miles away.

Further commercial development in Homer is directly dependent on affordable energy. This commitment from the State will allow our community to develop with new employment opportunities for ourselves and our children and provide affordable energy for all our property owners.

Please support this in your final budget and we Homerites will all be VERYYYYYYYYYYYYYYY happy to see an almost 20 year goal realized.

Angie Newby, CCIM, CRS

OWNER/BROKER

HOMER REAL ESTATE

P. O. Box 997

HOMER, AK 99603

(907) 235-5294 • OFFICE

(907) 235-5223 • FAX

(907) 299-1514 • CELL

ANGIENEWBY@ALASKA.COM

[HTTP://WWW.HOMERREALESTATE.COM](http://WWW.HOMERREALESTATE.COM)



City of Homer

City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

phone: 907-235-3102 fax: 907-235-3148

email: wwrede@ci.homer.ak.us

April 27, 2010

Governor Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing on behalf of the City of Homer to urge your support for the Homer-area projects approved for funding by the Alaska Legislature as part of the FY 2011 state capital budget.

Out of more than 50 projects identified as priorities by the City of Homer, four were included in the capital budget:

- \$4.8 million for a natural gas pipeline from Anchor Point to Homer. Natural gas in Homer has been a desire in this community for decades. The proposed project provides real hope that this wish will become a reality. In addition to providing a clean, lower-cost energy source, the project will create jobs in this area.
- \$1 million for the Homer Deep Water Dock expansion project. This project has been in the City's Capital Improvement Plan since 1989. The funding will allow us to complete feasibility and design for a project that will enable the Port of Homer to handle containerized cargo, reducing the cost of goods locally and greatly benefiting the local and regional economy.
- \$250,000 for improvements to Karen Hornaday Park. This project is strongly supported by the community, generating dozens of letters and messages and hours of volunteer time. The \$250,000 legislative appropriation is key to overall project success, as it will be used to leverage an equal amount of funding from a Land and Water Conservation Fund grant. The City of Homer, Homer Little League, and Friends of Karen Hornaday Park are also contributing cash match to the project, which will address serious problems and provide major upgrades to the park, to the benefit of residents and visitors as well as the local economy.
- \$100,000 for the Pratt Museum's capital campaign. This money will help pay for engineering and design for a new building to house Homer's acclaimed Pratt Museum, winner of the National Award for Museum Service and one of only five accredited museums in Alaska.

We also support funding for other Homer-area projects approved by the Legislature, including \$250,000 for a new building on the UAA-KPC-Kachemak Bay Campus and \$30,000 to the Homer Foundation for community education and recreation programs.

In addition, we urge you to preserve the full \$50 million in funding for the Renewable Energy Grant Fund, which will benefit Homer by providing funding for our proposed Kachemak Bay Tidal Power project.

Governor Sean Parnell
April 27, 2010
Page 2

I would welcome the opportunity to discuss these priorities with you further.

Sincerely,

CITY OF HOMER

A handwritten signature in blue ink, appearing to read "Walt Wrede". The signature is fluid and cursive, with the first name "Walt" being more prominent than the last name "Wrede".

Walt Wrede
City Manager

Good day, gentlemen. I am writing you to express my strong opinion that the Homer area needs the energy cost relief; hence the natural gas pipeline is the answer. Similar to myself, I'm sure a lot of people have installed propane heaters and/or boilers with the assumption that natural gas would eventually become available in Homer to convert to. My propane heating costs are very expensive. Unlike many people, my family is blessed in that we are gainfully employed and can afford these energy costs despite how high they are. We could definitely benefit from switching to natural gas, but more importantly, we need to look out for the whole Homer community. Sometimes I wonder how the less fortunate can afford heating costs. I'll keep this short for everyone's benefit.

Please take this email as support for a natural gas pipeline down to Homer, Alaska! Jobs, affordable heating costs! This, NOW, is our opportunity to make this pipeline happen.

Good luck and keep up the good work.

Chris Morin
Homer resident



City of Homer

City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

phone: 907-235-3102 fax: 907-235-3148

email: wwrede@ci.homer.ak.us

April 29, 2010

Governor Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing to urge you to preserve funding for the Anchor Point to Homer natural gas line in the FY 2011 capital budget.

The City of Homer has been severely impacted by the high cost of energy in recent years. This in turn impacts our ability to provide the services that the people of Homer need and want.

Currently City buildings are heated primarily with fuel oil and electricity, and to a lesser extent with propane. We know that in areas of Alaska currently served by natural gas, fuel oil costs 2.5 times as much as natural gas, propane costs 4.5 times as much, and electricity costs 7 times as much. No doubt the cost differential is even greater in Homer, where higher costs to energy companies are passed on to customers.

Obviously, local residents and businesses in this area will also benefit from the lower cost of natural gas compared to other energy sources. Many residents also recognize the environmental benefits of natural gas, with its relatively low carbon footprint compared to fuel oil. For this reason, there is a great deal of excitement and support for the proposed natural gas line to Homer.

Homer is already a significant commercial hub in south-central Alaska and has the potential to contribute even more to the state's economy. Providing clean, affordable natural gas to Homer would help very much in this regard. Your support will be greatly appreciated.

Sincerely,

CITY OF HOMER

Walt Wrede
City Manager

REPRESENTATIVE PAUL SEATON

SESSION ADDRESS

State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-2689
Fax: (907) 465-3472
1-800-665-2689



INTERIM ADDRESS

345 W. Sterling Highway
Homer, Alaska 99603
(907) 235-2921
Fax: (907) 235-4008
1-800-665-2689

ALASKA STATE LEGISLATURE

House District 35

April 29, 2010

Governor Sean Parnell
PO Box 110001
Juneau, AK 99811

Dear Governor Parnell,

The purpose of this letter is to provide you with some background on state participation in transmission and generation projects to assist you in your analysis of the gas pipeline between Anchor Point and Homer, and the pressure regulating station in Anchor Point. As you are aware this project has broad support of the residents, business owners, and government entities on the lower Kenai Peninsula which currently bear disproportionately high overhead costs associated with diesel and propane for space heating purposes. A natural gas pipeline would give the people on the lower Kenai Peninsula access to the natural gas that is produced in their back-yard and put this area's space heating options equal to the central peninsula and the Anchorage area.

In retrospect the state has a long history of financing of energy transmission and generation projects. A noteworthy example is the Four Dam Pool Initial Project, established by the Alaska State Legislature as part of the Energy Program for Alaska in 1981. In 1986, the Alaska Legislature created the Railbelt Energy Fund with \$285 million. Other state funded projects include Bradley Lake Hydroelectric project funded by at \$200 million by the state and constructed by the Alaska Power Authority (AEA) which went into commercial operation in 1991.

Since 1980, programs (i.e., Power Production Cost Assistance and Power Cost Assistance) have been enacted by the legislature to assist citizens of the state burdened with high power costs. The Power Cost Equalization program (PCE) became effective in October 1984. The PCE program was established to assist rural residents at the same time that state funds were used to construct major energy projects to assist urban areas. Most urban and road-connected

communities were benefiting from major state-subsidized energy projects such as the Four Dam Pool, Bradley Lake, and the Alaska Intertie.

Most recently, the legislature has created the Renewable Energy Fund to assist in small to mid-size generation projects. Further, in the past decade the legislature has approved numerous transmission and generation projects to assist state residents. I have attached a spreadsheet detailing some of these appropriations. As late as 2005 the state capital projects included the similar Ninilchik natural gas pressure and equalization station.

It is my hope that this brief discussion as well as the attached spreadsheet will help place the Anchor Point to Homer gas pipeline and pressure regulation station in historical context and show the large precedent for state participation in transmission and generation projects that benefit Alaskan consumers.

Thank you for your consideration of this issue.

Sincerely,

A handwritten signature in black ink, reading "Paul Seaton". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Representative Paul Seaton

FY	Project	Total	Gen Fund	
2000	Alaska Marine Highway System: Aurora and LeConte Ship Service Generator	700,000		
2000	Chefornak Generator Purchase	25,000		
2000	Cordova Community Medical Center Generator System	50,000	50,000	
2000	Nikolai Generator Building and Fuel Farm Upgrade	25,000		
2000	North Pole Public Safety Generator and Equipment	42,130		
2001	Chalkyitsik Generator and Power Equipment Upgrade	25,001		
2001	Chefornak Generator Purchase Phase 2	25,000		
2001	Cold Bay: Generator Building Replacement	300,000		
2001	Nikolai Bulk Fuel Farm and Generator Upgrade	25,000		
2001	Wrangell Utilities Auxiliary Electrical Generator	52,515		
2002	Kupreanof Fire Suppression Equipment for Generator Shed and City Community Building	10,000		
2002	Nikolai Generator Upgrade and Bulk Fuel Farm Upgrade	25,000		
2002	Ruby New Generator and Back Up Generator Building	25,159		
2002	Southwest Region - Clarks Point School Generator Building	35,989		
2003	City of Seldovia - Backup Generator	50,000	50,000	
2003	Kenai Peninsula Borough/ Sterling Senior Citizens Center - Kitchen Remodel/ Generator	135,000	135,000	
2003	Language section Sec 56 Ch 82 SLA 2003 (sup): security, fire alarm, and generator upgrades	405,000	405,000	
2003	Ninilchik Senior Citizens, Inc. - Emergency Generator	10,000	10,000	
2003	Tatitlek Generator Replacement	154,312		
2003	Wasilla Septage Facility Emergency Generator	61,900	61,900	
2005	Language Section: City of Wasilla for Emergency Generators for the Sports Complex	260,000		
2005	Language Section: Nikiski Senior Center - Generator and Storage Building	43,000		
2006	City of Wasilla - Sports Complex Emergency Generators and Kitchen	600,000	600,000	
2007	Anchorage - New Generator for Fire Dispatch and Station 12	250,000	250,000	
2007	Beaver - Generator Replacement	50,000	50,000	
2007	Chenega Bay - Replacement Generators Purchase	385,000	385,000	
2007	City of Galena - Radio Station Power Generator	34,000	34,000	
2007	City of Ruby - Generator Replacement	80,000	80,000	
2007	Lake and Peninsula Borough - Kokhanok Wind Generator	148,000	148,000	
2007	Lake and Peninsula Borough - Pilot Point Emergency Back-up Generator Upgrade	36,000	36,000	
2007	Matanuska-Susitna Borough - Willow Area Community Center Emergency Generator	60,000	60,000	
2007	Mid-Valley Seniors, Inc. - Emergency Generator	25,000	25,000	
2007	Nanwalek IRA Council - Back-Up Generator	75,000	75,000	
2007	Upper Susitna Valley Seniors, Inc. - Emergency Back-up Generator	15,000	15,000	
2007	Willow Area Seniors, Inc. - Emergency Back-up Generator	15,000	15,000	
2007	Willow Area Seniors, Inc. - Willow Haven Senior Housing: Electrical Upgrade for Generator	2,000	2,000	
2008	Seward - Purchase of Back-up Generators	2,000,000		
2009	AVCP Regional Housing Authority - Emergency Generator Upgrades & Metering Systems	1,350,000		
2009	Nanwalek IRA Council - Back-up Generator Purchase, Shipping and Installation	25,000	25,000	
2009	Valdez - Valdez High School Emergency Generator Switch Gear Replacement	6,000	6,000	
2010	Kasigluk-Akula K-12 School Generator Building Floor Failure Repairs	928,581	928,581	
2010	Platinum K-12 School Prime Power Generators	181,678	181,678	

FY	Project	Total	Gen Fund	
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2003	City of Ouzinkie - Generation Improvements	75,000	75,000
2003	Nikolai Electrical Generation and Distribution Upgrade	25,000	
2007	Nome Joint Utility Systems - Power Generation Facility Replacement	1,500,000	1,500,000
2007	Palmer Plant Materials Center - Foundation and Low Generation Seed Potato Production	250,000	250,000
2009	Alaska Industrial Development and Export Authority - Ketchikan Shipyard Power Generation & Infrastructure Improve	3,000,000	
2009	Nushagak Electric & Telephone Cooperative - Power Generation Upgrade - Phase I	1,000,000	1,000,000
2009	Tuluksak K-12 School Power Generation	559,462	559,462
2009	Unalaska - Power Generation Expansion	1,500,000	

FY	Project	Total	Gen Fund
2001	Akutan Underground Pipeline Replacement	25,000	
2002	Akutan Underground Pipeline Replacement, Phase 2	25,000	
2002	Language Section 25: Trans-Alaska Pipeline Liability Fund	2,150,000	
2003	Akutan Underground Pipeline Replacement - Phase 3	25,000	
2003	Language Section 33:Trans-Alaska Pipeline Liability Fund	2,150,000	
2005	Fairbanks: Richardson Highway - Northbound Chena Overflow Bridge for Gas Pipeline	2,500,000	2,500,000
2006	Alaska Works Partnership - Pipeline Training Equipment	1,500,000	1,500,000
2006	Iditarod Area - Innoko River School Tank Farm Pipeline & Remediation, Shageluk	235,200	235,200
2007	Alaska Works Partnership - Fairbanks Pipeline Training Center	3,000,000	3,000,000
2007	Gas Pipeline	1,700,000	
2007	Gas Pipeline and Other Oil and Gas Projects	21,500,000	21,500,000
2007	Gas Pipeline Corridor Geologic Hazards and Resources	350,000	350,000
2007	Sec 2(a), Ch. 6, SLA 2007 (SB82) - Gas Pipeline Analysis	6,550,000	6,550,000
2008	Alaska Labor Exchange System Enhancement and Gas Pipeline Skills Inventory	600,000	600,000
2008	Alaska Laborer's Training School - Pipeline Training Concrete and Finishing Tools	300,000	300,000
2008	Alaska Works Partnership - Fairbanks Pipeline Training Center	8,700,000	5,700,000
2008	Gas Pipeline Corridor Geologic Hazards and Resources - Phase 2	1,200,000	1,200,000
2009	Petersburg - Cabin Creek Reservoir - Water Pipeline Repairs	525,000	

FY	Project	Total	Gen Fund
2005	Language Section: Kenai Peninsula Borough - Ninilchik Pressure Reducing System	225,000	

FY	Project	Total	Gen Fund
2000	Elim Water Source and Transmission Line	1,004,000	
2003	Language Section 78 (b): Municipality of Anch. - Anch. Municipal Light and Power for Eklutna Project Transmission	19,300,000	
2003	Language Section 78 (c): Alaska Energy Authority - Anchorage to Fairbanks Power Transmission Intertie to the Teek	20,300,000	
2003	North Pole Badger-Hurst Water Transmission Main	1,049,000	1,049,000
2004	Nome Water Transmission Line Analysis	105,000	

2004	Wales Razorback Water Transmission Line	240,000	
2005	Anchorage Water Loop Transmission Main Phase 4	2,000,000	
2005	Chignik Bay Water Treatment Plant Improvements and Transmission Line	1,533,000	
2006	AIDEA - 115 Kilovolt Transmission Line from Douglas Substation to Stevens Substation	0	
2006	Anchorage Loop Water Transmission Main Phase 4	2,500,000	
2006	Homer Electric Association - Nikiski Facility augmentation and Upgrade of Bulk Transmission facilities within Kenai P	0	
2006	Matanuska Electric Association - New Substations, Transmission Lines, Generation Site Acquisition, and Infrastructure	0	
2007	Anchorage Loop Water Transmission Main Phase 4 Matching Grant	2,807,318	2,807,318
2007	Anchorage Municipal Light and Power - Transmission Lines Connecting Fire Island Wind Farm to Existing Anchorage	0	0
2007	Chugach Electric Association - Transmission Lines Connecting Fire Island Wind Farm to Existing Anchorage Infrastru	0	0
2008	Anchorage - Loop Water Transmission Main, Phase IV	3,060,000	3,060,000
2008	Anchorage Municipal Light and Power - Transmission Lines Connection Fire Island Wind Farm to Existing Anchorage	0	
2008	Chugach Electric Association - Transmission Lines Connection Fire Island Wind Farm to Existing Anchorage Infrastru	0	
2008	Electronic Transmission of Citation Data	800,000	
2008	Homer Electric Association - Nikiski Facility Augmentation, and KPB Subdivision Bulk Transmission Facilities Upgrad	0	
2008	Homer Electric Association - Upgrade Electrical Distribution and Transmission System	0	
2008	Matanuska Electric Association - 115 Kilovolt Transmission Line from the Douglas Substation to the Stevens Substat	0	
2008	Matanuska Electric Association - New Substations and Transmission Lines and Infrastructure Development	0	
2009	Alaska Energy Authority: Fire Island Wind Farm Transmission Lines	25,000,000	0
2009	Electronic Transmission of Citation Data	1,200,000	
2009	Kenai: New Water Transmission Main Phase II Wellhouse	978,075	978,075
2009	Matanuska Electric Association - 115 KV Transmission Line Upgrades and Extensions Including a Line to Point Mack	0	
2009	Nome: Moonlight Spring Transmission Line Upgrade - Phase I	2,060,000	
2009	RPL 08-09-0137, 2/18/09, City of Nome d/b/a Nome Joint Utilities System - Nome Banner Peak Wind Farm Transmis	801,000	
2009	RPL 08-09-0137, 2/18/09, Kwaan Electric Transmission Intertie Cooperative, Inc (KWETICO) - Kake-Petersburg Inter	2,990,000	
2010	Kenai: New Water Transmission Mains Phase II and Wellhouse	2,132,100	2,132,100
2010	Nome: Moonlight Springs Transmission Line Upgrade/Replacement, Phase II	3,090,000	3,090,000

Fed Rcpts

UnInc Mtch

Muni Match

AHFC Rcpts

AHCC

0
0



Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 ~ 907-235-0253 fax

April 30, 2010

Governor Sean Parnell
State of Alaska
PO Box 11001
Juneau, AK 99811

Dear Governor Parnell,

On behalf of South Peninsula Hospital, I would like to express our appreciation and support for state capital funds to develop a gas pipeline from Anchor Point to Homer. We look forward to the savings this will result in for the overall operations at the hospital and the residents of our service area.

We urge your continued support of this and all alternative energy solutions for the Kenai Peninsula and all rural Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Letson", with a long, sweeping horizontal line extending from the end of the signature.

Robert Letson
CEO

Dear Governor Parnell:

The City of Kachemak strongly supports the construction of a low pressure gas pipeline from Anchor Point to Homer and Kachemak.

It will provide an alternative energy source of energy for both businesses and residences in the area.

Feel free to call or email me if you have any questions.

Sincerely,

Philemon D. Morris, Mayor
City of Kachemak
(907) 235-8897



Chamber of Commerce

* P.O. Box 610, Anchor Point, Alaska 99556 * Mile 156 Sterling Hwy * (907) 235-2600 *

April 27, 2010

Governor Sean Parnell
Juneau, AK

Dear Governor Parnell,

This letter is in support of the \$4.8 million in the capital budget for a gas pipeline from Anchor Point to Homer and a pressure regulating station in Anchor Point.

This project will allow for gas service to Anchor Point and Homer area residents and have a direct impact on the operating costs for businesses, schools, and government facilities in the lower Kenai Peninsula Borough which currently utilize diesel, propane, and/or electricity for space heating purposes. Decreasing the overhead costs on local businesses will lead to more economic development in the Anchor Point and Homer area.

Thank you for your consideration of this request.

Sincerely

Jesse Clutts
Chamber Board President
Anchor Point Chamber of Commerce

cc: Rep Seaton
APCOC 4/27/10 BOD minutes

"North America's most westerly highway point"